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TAGS: [PREF](#) [UNHCR](#)

SUBJECT: UNHCR: MANAGEMENT PRIORITIES FOR 2006 DESCRIBED  
DURING DONOR CONSULTATIONS

1. (U) Summary: Donor government representatives and NGOs were in full attendance at UNHCR's informal consultations, May 18-19 in Geneva. Saying &we heard you last year, then-Acting High Commissioner Wendy Chamberlin led the meeting, providing donors with an update on UNHCR's approach to budget formulation and priorities for 2006. These proved to have been heavily influenced by donor concerns expressed at last year's informal consultations. Chamberlin briefed on progress toward needs-based budgeting and results-based management, as well as efforts to provide transparency and accountability within UNHCR. She also described UNHCR's commitment to preventing further expansion at headquarters. UNHCR's policy on internally displaced persons (IDPs) and regional priorities are described septel. This cable focuses on management issues. End Summary.

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Needs-Based Budgeting: Getting Closer but Not There Yet  
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2. (U) Chamberlin provided detailed remarks on this year's country operation planning (COP) -- which was modified to include consultations with UN and NGO partners, government officials, and beneficiaries to identify gaps in humanitarian assistance in order to define the outer limits of refugee needs. Chamberlin described preliminary results as mixed, but added that input from the field would help UNHCR improve the exercise for 2007 planning. Once the 2006 exercise is complete, UNHCR plans to redirect the system to close identified gaps. Chamberlin asserted that all actors need to be held accountable for filling the gaps, including donors who must provide support to meet core needs.

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Results Based Management (RBM)  
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3. (U) Chamberlin reported that UNHCR has made significant strides in formulating its budget to support results based management. This year, she said, UNHCR reviewed its 2006 country level objectives to produce a 2006 budget based on the activities directly linked to meeting those objectives. Chamberlin acknowledged, however, that country representatives also received an indicative dollar figure, which probably (as in past years) heavily influenced those representatives, sense of what was feasible to request. Chamberlin said that as guidance for 2006 planning, UNHCR instructed the field not only to identify priorities but to ensure that needs were linked to UNHCR's organizational global strategies. Headquarters will review the information and make decisions on what results UNHCR would like to see for 2006 based on the COPs. This will be reflected in 2006 decisions on the budget.

3. (U) A tool Chamberlin has used to address (in part) the problem of inconsistent and/or unbalanced priority-setting from one country or region to another is what she called the 90-108 approach. At the bureau levels, Directors had to identify 10% of their activities as the lowest priority; the Executive level may shift funds from these activities to higher priorities in another bureau. Until UNHCR's internal systems allow for greater analysis of goals and budgets, 90-108 represents a first step toward global priority setting.

4. (U) Denmark urged UNHCR not to forget to document &with simple data its progress to achieve its objectives. Chamberlin responded that a system to accomplish results-based budgeting (RBB) is one that the Organizational Development and Management Section at UNHCR is working on, in order to report and gauge progress. Sweden urged UNHCR to speed up the process and to consult with donors on what UNHCR should be doing in terms of increases and decreases in programs. The UK stressed the importance of the age and gender mainstreaming approach and said the results of the pilots done in 2004 should be reflected in the COPs for those countries. UNHCR confirmed that they were, but only somewhat.

5. (U) Chamberlin announced the establishment of an RBM Unit that would report to her in order to flesh out RBM organization wide. Drawing on previous Standing Committee guidance, USDEL suggested that such a unit should incorporate

and reunite the Budget office (now under the Controller) and the PCOS office in DOS (responsible for strategic planning). On the margins of the meeting, the Directors of both DOS and the Controller vociferously disagreed.

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Transparency and Accountability:  
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16. (U) UNHCR is taking steps to improve transparency and accountability within the organization. Chamberlin described the progress made in implementing the Management System Renewal Process (MSRP), which she noted was slow but coming along. UNHCR has completed implementation at headquarters and is now rolling out the new accounting system in the field. Chamberlin said that UNHCR is now working on the human resources management program for the MSRP, which will create efficiencies and also allow staff to have better access to their records.

17. (U) UNHCR is also working to improve the accountability and oversight of staff at headquarters and in the field. The organization has started to send out via email the results of disciplinary procedures to send the message that staff are being held accountable for their actions. UNHCR will also make on-line sexual harassment training mandatory in order to ensure that all staff are aware of these issues, and will also streamline the disciplinary process. UNHCR is also directly linking personnel assessment reports with assignments. Ninety-one percent of the necessary reports were completed in 2004, an improvement over past years. In the next couple of months, UNHCR also will make mandatory 360-degree evaluations for assignments and promotions.

18. (U) The Netherlands expressed its concern that UNHCR's progress be mainstreamed with the Consolidated Humanitarian Action Plan (CHAP), while the United Kingdom asked why UNHCR didn't begin that process in 2005. UNHCR responded that in some cases, such as Sudan, UNHCR is in line with the CHAP and that UN agencies developed the plan based on needs that defined what UNHCR would do in a repatriation effort. In terms of timing, UNHCR replied that it is often difficult to link up with CHAPs, as they are on different schedules than UNHCR's COPs.

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Headquarters Budget  
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19. (U) The United States pointed out that although the Acting High Commissioner had earlier remarked that there would be no growth in headquarters in 2006, the notional 2006 budget presented to donors indicated a \$21 million increase from 2005. Chamberlin replied that the budget figure was not yet final but noted that \$15.8 m of the increase was due to foreign exchange losses and inflation. Chamberlin added that UNHCR's goal was a "no net growth" for 2006 at headquarters, and challenged donors to state their priorities for UNHCR Headquarters. USDEL responded that Protection (especially resettlement), HIV/AIDS, Interagency Health Evaluations, work on standards and indicators, staff training, JPOs, MSRP, staff security, emergency response, and deployment schemes (e.g. the Protection Surge Capacity project and refugee status determinations (RSD) deployments) were all important activities funded out of the Global Operations and Headquarters budgets.

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Needs Based Assessment  
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10. (U) Alan Vernon, Chief of the Organizational Development and Management Section (ODMS) led a presentation of progress made in the past 3 years to develop tools to:  
--improve the well-being of persons of concern  
--improve the quality of delivery of protection and assistance  
--strengthen resource allocation  
--strengthen resource mobilization  
--strengthen reporting to donors.

11. (U) Mengesha Kebede, chief of Program Coordination and Operational Support (PCOS) in the Department of Operational Support (DOS), said that conducting needs assessment is a continuous process, and is certainly not achieved by donors traveling to a capital for a Country Operations Plan (COP) workshop. He benchmarked progress as follows: standards and indicators have been developed for camp situations, returnee (voluntary repatriation) situations, and urban refugees. The standards have been agreed to be global, and include a special category of protection indicators for each situation. Owing to field reporting on indicators for 2003 and 2004, quantitative gaps have been identified, which moves UNHCR closer to identifying total refugee needs. Age and Gender Mainstreaming (AGM) and the Situational Analysis Tool have addressed the quality of programming, with their goals of ensuring that refugees have input into development of

programs (including objectives and outputs), and that the contribution comes from and addresses the needs and abilities of women, men, and children.

¶12. Kebede reviewed challenges. Collecting data is time-consuming and costly. Some data must be collected repeatedly: on a daily, weekly, or monthly basis. Agreeing on baselines with partners is often difficult. Applying the AGM and Situational Analysis tools systematically is an ongoing priority. Quantifying protection standards in areas where &capacity building& is the goal has also proved particularly difficult. UNHCR continues the effort, however, because as indicators are agreed, they can be monetized, and budgets built from them. And that will lead to budgets that are grounded in needs, and identification of real gaps between UNHCR,s budget and refugees, needs.

¶13. (U) UNHCR provided some reports on the achievement of indicators, and others purporting to show actual monetized refugee needs. The reports were based on field data. The table asserting that needs in Europe were nearly the same as needs in Africa lacked credibility. UNHCR agreed, noting that achieving comparability remains a large challenge, because of varying costs in different parts of the world and also because of a lack of consistency. USDEL suggested that UNHCR report actual achievement of agreed standards, focusing on the percentage of camps (or refugees) that had achieved the standard, but also on the numbers themselves, as percentages show averages, which mask discrepancies among the camps.

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2005 Budget: Status Report  
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¶14. (U) UNHCR,s operational budget lines were frozen at 5 percent less than the EXCOM approved level in January, with the ABODS (Administrative) budgets frozen at 10 percent below EXCOM levels. No staff freezes were implemented. Quarterly allocations were front-loaded this year for the first time. In the second quarter, 30 percent of the year,s total was allocated, with a lower allocation of 20 percent planned for the fourth quarter. This front-loading should improve implementation rates. Compared to 2004, Operational Reserve part 1 has not been as heavily drawn down, despite funds for the recent crisis in Togo having come from OR-1.

¶15. (U) The UN Regular Budget allocation to UNHCR in 2005 has increased to \$38m, because of additional funds for security (\$5.5m for Headquarters), and a technical adjustment to compensate for the stronger Swiss franc (\$4.5m). This has been offset by the increase in the shared cost of security borne by UNHCR (going to DSS).

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Good Humanitarian Donorship ) Harmonized Reporting and  
Management Demands  
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¶16. (U) Denmark, chair of the subgroup to harmonize donor demands for reporting from UN agencies, led a discussion to explore how the existing annual Global Report might be modified to include more information that would satisfy donors, requirements. The Netherlands, Denmark, and Australia noted that funds that UNHCR seeks from non-humanitarian sources (political, domestic asylum, development) often have unique reporting requirements. Sweden feared that special reporting is on the increase, with 80% of the new requirements coming from the European Commission (EC). UNHCR responded that while the EC requires special reporting, it also has increased its contributions.

¶17. (U) Sweden declared the goal to be decreased earmarking from donors without their losing visibility. USDEL suggested that UNHCR use the website as well as Standing Committee and EXCOM documents to give visibility to donors. USDEL also said UNHCR should propose streamlining and harmonization to governments when requirements are similar. The Netherlands suggested using the pledging conference to emphasize visibility. Special reports to private corporate donors on relatively small contributions were acknowledged but deemed a necessary investment.

¶18. (U) Several donors requested greater reporting against UNHCR,s Global Strategic Objectives, with indicators for outcomes and impacts; the UK asked for greater analysis of lessons learned. UK also pointed to its bilateral agreement,s requirement that refugee voices, including those of refugee women, be a starting point for UNHCR programs. Japan asked specifically for numbers of those assisted to be included. Switzerland asked for greater information on UNHCR activities to protect refugees. Canada asked for improved UNHCR reporting to the Financial Tracking System (FTS) managed by the Office of the Coordinator for Humanitarian Affairs (OCHA).

¶19. (U) Because of results-based budgeting and management,

many donors developed their own objectives and indicators bilaterally with UNHCR. Donors agreed that UNHCR would need to take the lead in any effort to harmonize these indicators, with several (including USDEL) granting permission for their bilateral agreements to be shared with other donors. The UK and New Zealand called for harmonization of objectives and indicators among UN agencies. USDEL questioned the feasibility of that approach. &Scorecards8 (such as the Office of Management and Budget,s Program Assessment Rating Tool and the UK/DFID,s scorecard) were valued because of their easily understood bottom line; standardization of them was also suggested. Some donors insist on doing their own evaluations of UNHCR projects. Three said they are trying to make the necessary changes to be able to accept the Global Report as the sole financial reporting mechanism.

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COMMENT  
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120. (U) The United States is not/not the problem in financial reporting, as the vast majority of our contribution is covered by the Global Report and the audited financial statements provided to EXCOM. The U.S. will likely play a large role, however, in any effort to harmonize the setting of objectives and indicators for UNHCR programs and our PART process may come under scrutiny from other donors.

121. (U) Donors came prepared for a lively discussion, and UNHCR,s interim management engaged on both policy issues and technical questions. The combination of Sweden and the U.S. insisting on a needs-based approach to budgeting for two years resulted in the 2006 methodology. While this methodology is far from achieving its desired result, it hopefully is on the right track. It is led by a team aware of the large challenges ahead and trying to learn from the experiences of the 2003 and 2004 COP processes.

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